

Transcript – Episode 99 – ["Wait... 30% of Your File is Signing Up for Recurring Donations?" with Rachel Kottler](#)

Dolph Goldenburg: Welcome to The Successful Nonprofits™ Podcast. I am your host Dolph Goldenburg. I am delighted to welcome today's guest Rachel Kottler to discuss the strategies she used in her work with the Human Rights Campaign to produce an incredible recurring donation rate for that organization. I think we're talking 30 percent people. Can I get a woot-woot for that? Now, Rachel is a Digital Account Manager with Lautman Masko Neil and Company, an award-winning direct response consulting firm. Some of her clients have included Parkinson's Foundation, The Physicians Committee for Responsible Medicine and, of course, the Human Rights Campaign – because we just mentioned HRC. Recently, she collaborated with two key players from the HRC development team to present the 2018 annual Bridge to Integrated Marketing and Fundraising Conference. We are fortunate to have Rachel here to share some of the takeaways from that presentation entitled “Wait... 30 Percent of Your File is Signing Up for Recurring Donations? The Art and Science of Fundraising and Marketing.”

Dolph Goldenburg: Hey, Rachel. Welcome to the podcast. Thanks for being with us today.

Rachel Kottler: Thanks for having me.

Dolph Goldenburg: Congratulations on that amazing recurring donor rate. I read through your presentation, and I have to say I was kind of blown away by the fact that HRC sees the best retention rate through direct mail.

Rachel Kottler: Our direct mail donors tend to be some of the best people we have on file. We don't get a ton of sustainers through that program, but the ones we do get have usually been on the file longer and are very dedicated folks, so when they're choosing in the mail to go ahead and get out their account information to charge every month, they're really more likely to stay with us long term.

Dolph Goldenburg: What are some of those things that you look for when you're out looking for new recurring donors? What are the signs that a donor's right for it?

Rachel Kottler: So, it's interesting because we actually find that you can target both new donors your organization and people who have been with you a long time. So, we recently did a digital campaign where we did a lot of segmentation to hit people with the messaging that would resonate best with them. So, we divided people really into three tracks. The first was what we called like our high-dollar donor group, and these were people who had made two or more gifts in twelve months or people who had the highest previous contributions above 100 dollars or people who were part of the auto-renewal program. That was our group one. If you have people who fall into that category, those are going to be your prime people they'll be most likely to transfer over to monthly donors at the highest rate because they've shown loyalty either through giving higher a higher amount or making multiple gifts. Clearly, they like giving on a more frequent basis. Then we also are going to target your other donors. Maybe that ask is going to be lower, and that's a really good strategy tip – to segment your ask based on people's previous interactions with you – so that high dollar group you can ask for them to join your sustainer program at a higher level. For your other donors, you probably aren't going to see as good of a conversion rate, but you still will get some people. Even for the people who are prospects to your organization, we find that, especially for HRC, there's a lot of younger people on that file. A lot of younger donors are more used to making monthly payments

whether it's because they subscribe to a service like Netflix or all their bills are on auto pay, and they pay them every month that way. The younger generation is getting more and more used to making gifts automatically, so that ask for them is really a convenience ask. They may decide, "Oh yeah, I like this organization – five dollars a month ten dollars a month. That's easier on my budgeting. I'd rather do that than make one big gift at this time."

Dolph Goldenburg: That's fascinating. They kind of treat it like Spotify or Netflix for like 10 bucks a month. Not that much, it means something to me. I'm going to do it.

Rachel Kottler: Exactly, and that's also for us. HRC has a big canvas program. A lot of the people who come on via street canvassing where you have a person waving you down, and you go talk to them, and they convince you to give monthly. Those also tend to be a lot of people who haven't thought about it as much, but it seems convenient, and they decide they care about that cause and decide to go in with a lower dollar gift every month even if they've never gave before.

Dolph Goldenburg: Is there any kind of formula you recommend? For example, I think major donor to HRC starts at like twelve hundred dollars a year. If someone's giving twelve hundred dollars a year, do you ask them to just do a hundred dollars a month or do you ask for 150 a month? What do you ask for?

Rachel Kottler: I don't really touch the major donor program. That's an entirely different team. I can talk more about the people under 100 dollars a month.

Dolph Goldenburg: Yes. Let's talk about the 78 or 75-dollars-a-year folks.

Rachel Kottler: Typically, for HRC, the ask we use is 10-20-30. We've tested and found that changing it dramatically based on prior giving for sustainers doesn't matter that much about the sweet spot, and that's based on average sustainer gift which we're seeing is closer to 15 to 18-dollar range. We do a 10-20-30 hour string generally, but for our targeted campaigns, we may ask for a higher amount for those higher dollar people. For the campaign we just did online, we were asking for twenty dollars for the people who were a hundred plus folks whereas we are just starting with a ten dollar ask for donors under a hundred dollars. That was one way we differentiated it... think about the math. If somebody is currently giving you a hundred dollars, what is that over every month? What is going to make sense for these people? If somebody made a 50-dollar gift one time, asking them for twenty dollars a month is a huge increase in giving. So, twenty dollars may feel way too high for that person. What if they gave like 200 dollars? That 20-dollar ask a month is way more doable. Either way we definitely do try to upgrade people when they become sustainer because it does feel a lot more manageable on a budget. Think about that upgrade in terms of something that might be a little bit more realistic than a huge jump.

Dolph Goldenburg: When you're looking for that upgrade, do you do it when they're making the commitment? If someone's online, is there a box that will pop up and say, "Hey your commitment is \$10. Would you consider twelve dollars a month?" Or do you do it a few months later?

Rachel Kottler: We do it a few months later via multiple channels. So, we do upgrade campaigns. We have an automated series where we try to upgrade people at the three-month mark. Then we're doing a lot of telemarketing to upgrade sustainers just a few dollars. Then throughout the year, we're doing planned email campaigns like three times a year where we're also asking for upgrades. Over the past year, we did one on Giving Tuesday. We played on that and did a two-

dollar ask upgrade for every partner.

Dolph Goldenburg: I love it: Two for Tuesdays.

Rachel Kottler: Yeah, that was a fun one we thought of to be creative, but generally with those upgrade campaigns, the asks also vary based on the person's current giving levels.

So, we divvy it up so that we have like a high dollar group and a low dollar group and our upgrade ask varies based on what we think is reasonable for the person. I guess one big takeaway whether you're trying to recruit sustainers or upgrade them is that really have their task in mind. If you can segment, we highly recommend segmentation so that you're asking some somebodies for either a monthly gift or an upgrade that is realistic for them and that they're not turned off by and ask that's too high.

Dolph Goldenburg: It's also really critical the folks be using multi-channels, so it's not just by phone but on e-mail it's, social media and everywhere so that it's reinforced wherever your donors go.

Rachel Kottler: Yeah.

One other example about how to get people to convert... We do a lot of telemarketing. For new donors, we do an online welcome series that ends with an ask to become a sustainer. Then we also do telemarketing where we're calling those same people and thanking them for joining the program and becoming a donor to the Human Rights Campaign. Right after that, the telemarketer is asking if they'd consider giving monthly. A lot of people are doing it. It's more convenient for you. You'll make a difference every month – We really try to go after those people through multiple channels right away.

Dolph Goldenburg: So, let's talk about that online welcome series. I want to know more.

Rachel Kottler: I would say a key part of our welcome series is welcoming the donor.

It's called a welcome series, of course. Use a lot of thank you language, and I wouldn't go out with the first e-mail asking them to switch to monthly giving. We send two e-mails that are more cultivation-based before we send out that sustainer ask. For that welcome series, we ended up taking really successful emails. We did a series for people who made two donations in the last 12 months to try to recruit them, and it performed gangbusters. So, we decided since this creative in this copy work really well, this is what we should use in our automated welcome series. We have evidence that worked. Let's reuse something that's been successful, here, so more people will see it. With that e-mail, we took a pretty different approach for that. It's kind of goofy and fine. You can see Caitlyn who manages the program as well as her coordinator Kevin holding this water bottle in the image, and we're asking people to join sustainers. It sounds super personal. Caitlin mentions, "We haven't met yet, but I'm Caitlin. I know you donated recently, and I thought you'd really be perfect for this program," and she kind of lays out why joining the program would really be beneficial both for them and for the mission. It's written in a personal and conversational manner and feels less like it's a mass e-mail because we have this goofy photo in the middle of it showing her and Kevin.

Dolph Goldenburg: Very cool. Of course, at the end of the series you kind of solicit them and you're like, "Hey, will you consider becoming a recurring donor?"

Rachel Kottler: Yeah, exactly.

With that email from Caitlin it's super persona. The second it goes, "Hey (name), we haven't met yet, but I'm Caitlin, and I managed to HRC partners program. I'm reaching out to you today because I think you'd make a great partner. I wanted to personally invite you to become one."

Then she goes through and explains what it is to be a partner, and you know everybody has a different reason for giving monthly. It may be easier to support LGBTQ equality. It may make you feel good knowing you're making a difference every month whatever your reason, and I hope you join the program.

And then it shows picture.

Dolph Goldenburg: Yeah, that sounds more like a personal email. I like that a lot. Rachel, we're going to take a short break, and when we come back, now that we have talked a good little bit about how to recruit recurring donors, we're going to talk about how to keep and retain them.

Rachel Kottler: All right.

Dolph Goldenburg: The Successful Nonprofits™ Podcast is produced by the Goldenburg Group as part of our mission to provide board development, strategic planning and transition leadership to help your nonprofit thrive in a competitive environment. What does your board look like? Is there an abundance of one particular type of member? Mostly white or primarily women or largely people over the age of 50 or under the age of 20? Although it's natural that boards gravitate toward sameness, it's not always the best strategy for keeping an organization vital and thriving. Board evaluation and development is a passion of mine. I can help you analyze what is working on your board and who is working on your board and where changes would be a good thing. If you feel that your board could benefit from a fresh perspective, check out the board development services that we offer at the www.goldenburggroup.com

Dolph Goldenburg: Hey, welcome back, Rachel. We are now at a point where we've recruited lots of recurring donors because we've followed up with folks after they have first made guests to the organization, and we've done a good job of segmenting and following up with multi-time donors to the organization. How do we keep those recurring donors once we've gotten a few key rates to keep them?

Rachel Kottler: Of course, make sure you're cultivating them throughout the year whether that's sending them a nice holiday card mailing around the holidays or even thinking about what pieces of e-mail they receive and don't receive, so that they have a good experience with you and are thinking about making sure you're asking for those upgrades at the right time - Not too many times but also not too infrequently. If for some reason you lose them, one of the most important things an organization should do is set up a type a credit card updater service so that if for some reason HRC loses that credit card number, then they will put them through this updater and it recaptures for HRC about 50 percent of lost credit card numbers by... Credit card operators are super easy and one of the best things you can do to get those people back. We also do the e-mail decline series to e-mail those folks if the credit card updater doesn't work. We also do reactivation campaigns via telemarketing. [They] are a really great way to make sure people don't lapse out and keep them. We also do EFT - the person is giving through their bank account. That's something a lot of people

are used to doing with bills and paying directly through your bank account. You just set that up, and HRC has actually started offering EFT online as an option. On that donation form, where they get two payment information, we've added "checking account" where the person can put their checking information in there. Then you have to make sure you have some language at the bottom authorizing the authorization and explaining what this means in terms of the money being taken out of their bank account. With EFT, most people aren't changing their bank accounts like they are their credit cards. If you can get a person on EFT, they're going to be a lot more likely to stay on with you. Of course, having EFT as an option in the mail is quite simple to put in there. We definitely recommend trying to have EFT part of your program and even trying to get people to switch over to it who are already giving monthly via credit cards. Have all those stop gates in place [in case] for some reason somebody lapses out of your monthly giving program.

Dolph Goldenburg: Very cool. I know one organization that actually, after their series of emails and trying to get the person to update their credit card information, mails a breakup card to the person like, "Hey we're really sorry. We hope it's not us."

Rachel Kottler: I love that idea. That sounds super clever and like it could really stand out in the person's mailbox at home.

Dolph Goldenburg: Most of us don't get a lot of real mail. We get junk mail, and we get political canvassing mail and bells. That's about it. That is something that I really like about that, but I also like that it's kind of a little bit tongue in cheek. It's not you; it's us, OK? It's really you - I think that's what the card says. It's sort of what they're going for.

Rachel Kottler: Yeah, I would say our mail and e-mail pieces don't take that quite tongue in cheek of an approach. We try to really talk about how they used to be a partner and how they made such a difference. We try to create urgency by mentioning how rights are on the line. We really need to make them feel like, "Oh crap, I really need to fix that and reactivate, so I start giving monthly again." For us, that includes kind of using an invoice style e-mail. For listeners who maybe don't know that term, an invoice style e-mail would be an e-mail that leaves out some fields like your name, your status (which is an active [donor] in this case), their last giving and suggested gift and then has that right at the top. [It's] nice and big so that a person feels pretty invoice-y.

But it gets the point across very directly to the donor that they have lapsed out.

Dolph Goldenburg: Now, when you talk about what you do to cultivate donors they don't intentionally lapse out or opt out, you'd mentioned you send a holiday card. Is that digital or print?

Rachel Kottler: Actually, last year we did both. Caitlin actually even hand wrote notes to a good portion of the list so that they got a card with a personal note. For the rest of them, they got a mailed card that had a printed note inside wishing them happy holidays. So, we sent out an e-mail version, and then we send out the mail version, and that did include some really personal ones that she chose to write some of those people who had been with HRC a long time.

Dolph Goldenburg: I will share with you I am all about the handwritten personal note. In fact, on Sunday afternoons that's my handwritten correspondence day (we're taping this on Monday). So yesterday, I sat down, and I wrote like 20 cards, all of which are handwritten or hand addressed to have a real stamp on them, and people will call me up, and they get to know from there like, "Wow, I don't get real notes in the mail anymore."

Rachel Kottler: It goes a long way. We also have a partner welcome series. Our partners get a really nice online welcome series that goes over everything they need to know and then asks why they've chosen to join and give monthly. We just try to make it as positive for the person as possible and really highlight how much of a difference they're making and how thankful we are for them and make it feel more personal like showing the photo of the people on your sustainer team who are the people corresponding with them and saying how nice it is to meet them and how much you personally appreciate it. Even if it is the e-mail, think about tweaking your language so that it really feels like it's coming from that person who's going to be the one that they meet here from if their gifts lapses or who may they're gonna get messages from. We also try to keep it pretty consistent where the people who really do work on that program are they email signers or the mail signers, so there is more of a relationship even if it's over 80,000 people.

Dolph Goldenburg: When you say that you send your partners/ those that are joining as recurring donors a welcome series as well, and in one of those e-mails you ask why they decided to become a recurring donor, is that a link to a simple poll? How are you collecting those responses?

Rachel Kottler: We're changing it. We actually used to have an inbox set up for them to reply to which feel super personal, and then you do have to have somebody manage that inbox. That's the more difficult part there. We're changing it to a forum where there is an empty field because we don't want it to be like voting. We want somebody to be able to write that message because maybe that message would motivate somebody else. So, we're going to read it, and Caitlin's going to want to contact that person and see if she could maybe use their story somewhere. So, definitely giving people room to really tell you why - not everybody's going to want to do that. We have a wall of appreciation that when somebody joins their sustainer program, they can upload their photo and write a little bit of information about why they've decided to join the society, and that's a whole web page, and you can go visit it, and you can see all these other people's stories that you just join with. That kind of thing makes people feel like more of a community. And it also reinforces for them like why they made this decision and why it matters to them.

Dolph Goldenburg: That is super cool. I like that a lot. Wow. I have to ask. Under the current system where you've got the direct response inbox, roughly what percentage of people you know get a reply back and give a reason as to why they're joining?

Rachel Kottler: I would love to tell you about information. I don't have that number off the tip of my tongue, but I pray to find that out.

Dolph Goldenburg: Do you have any anecdotal stories about that?

Rachel Kottler: Oh yeah. I mean we've gotten some really nice messages.

From that card that we sent last year, we got some mailed responses to that and some e-mails. Some of these things that people write in about their store their personal stories and why giving to HRC matters to them, they had faced discrimination themselves or maybe HRC personally helped. Often, it may be with something like "coming out" or living in a community that isn't very accepting and then finding the Human Rights Campaign and finding all of the resources that they have to offer people to make that easier. Like, even if perhaps in your day to day interactions you don't feel accepted, there is this other community an HRC can help bring people into that community and help make life easier for them. That's what the Human Rights Campaign is all about. Then you know

there are also lots of messages we've seen from people who were able to get married after years and years of not being able to marry their loved one. You read these stories, and it just reminds it reminds everybody who works on this to why this work is so important. It's for the people in rural Mississippi who don't feel like they can come out, but through eight years HRC's groundwork are all of a sudden have made a community or even have been able to get those resources that they need. It's for couples all throughout the country who used to not be able to be married. When marriage equality passed, finally, they could be officially with their loved one, or it's for those parents or want to people who want to adopt and maybe are facing some hurdles in their state. HRC is pushing to get those hurdles removed because they deserve to be parents. So, you hear a lot of pretty amazing stories. We've also gotten a bunch of like picture requests where people will send in photos for different things like, "Hey, we want to see how you participated in the summer of action or after marriage equality." We did a big photo collection, and some of these pictures and notes with it, either it's it might be somebody's wedding photos or just them being at pride, and it's their first pride they ever went to like. There are so many real stories out there, and I mean for me being on the other side and writing a lot of the e-mails that go out, it's really beautiful when you read these stories.

Dolph Goldenburg: What did you do with those photos that got sent in?

Rachel Kottler: Oh my goodness. We got over 10,000 photos sent in the first time we did it after marriage equality at year end in December. So, that was two years ago, and our plan was to make a video (which we did make), but we did not expect you know over 10,000 to be sent in; that's a lot of photographs and would be pretty impossible to fit 10,000 to a quick one-minute video reel. So, we made a video, but then we made Facebook albums to show all of the photos that we received so that we were able to show the photos for everybody who chose to go out of their way and participate and send in those pictures.

Dolph Goldenburg: I love that you did that, what great cultivation. That's incredible. Rachel, we're at that point of the show where it is time for me to switch over and ask you the Off-the-Map question, and, if you are a first time listener, this is a question that we ask every guest that allows you to get to know the guest a little bit more as a person. So, Rachel, I know that you taught in Houston for two years with Teach for America. My question to you is, how is wrangling a class of first graders like wrangling a pool of recurring donors?

Rachel Kottler: I love that question. I would say I mean everything I learned as a teacher I use pretty much in my job as a fundraiser. You have to really think long term, and with kids, you know you have to give a lot of positive reinforcement and figure out your strategy for the year. With your recurring donors, you can't also really think about that strategy for the year of communication with them and also remember to be really positive. Just like how with your students you have to explain why it matters and why I'm asking them to sit criss-cross apple sauce with a bubble, you have to remind your recurring donor it's why it matters that they're giving every month and how it's helping the organization. So, using "why" to explain things definitely was a big take away from both, backwards planning and being really strategic with your messaging and also knowing one message may not reach everybody when you're teaching first graders. You say something, and one person may like it, and then some may not have any idea what you're talking about. Use different messages at different times so that you relate to everybody. Also, be human you know with your communication. If I stood up in front of a classroom and acted like a robot, I don't think my first graders would have sat criss-cross apple sauce at all - not like with your sustainers. You also really need to remember to be human and think of it as a one to one interaction even if you're messaging

a huge group of people.

Dolph Goldenburg: I love that you know about maybe 30 years ago there was a book by Robert Fulghum that the title of which was *Everything I Needed to Know I Learned in Kindergarten*. Maybe your book will be *Everything I Needed to Know as a Fundraiser I Learned Teaching First Grade*.

Rachel Kottler: I have read that book. It's a good one.

Dolph Goldenburg: It is a good book. It's an oldie but a goodie. Rachel, it's been a pleasure talking with you today. I want to make sure that listeners can find you and see your presentation. They can go to www.lautmandc.com. They can head to the right side of the landing page for your presentation. In addition, I understand that you also have a Salon for Digital Change Makers that our listeners will also want to check out. Finally, I want to make sure the listeners can reach out to you by e-mail. And that's our rkottler@lautmandc.com, and we'll include all of this in the show notes. Rachel, thank you so much for joining us today.

Rachel Kottler: Thank you so much for having me.

It's been a pleasure.

Dolph Goldenburg: If you have already downloaded Rachel's presentation to take notes on getting your recurring donor rate spiking and you missed how to reach her to join her salon for digital change makers, don't worry. We have all of the information from today's show at www.successfulnonprofits.com. I know that I'm going to be looking at ways that organizations can be using welcome series as part of their online digital thank you to donors. That's probably my key takeaway from today. I'd love to know what yours is. You can hit me up on social media Facebook, LinkedIn or Twitter to tell me what your key takeaway is. That is our show for this week. I hope you have gained some insight to help your nonprofit thrive in a competitive environment.

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